



**Director of
Central
Intelligence**

~~Top Secret~~

National Intelligence Daily

***Thursday
20 September 1979***

~~Top Secret~~

CO NID 79-221JX

20 September 1979

Copy 421

25X1

Page Denied

Top Secret

25X1

Contents

Briefs and Comments

USSR: <i>Concern over Iran</i>	1
Israel-Lebanon: <i>Status of Cease-fire</i>	2
Iran: <i>Oil Production</i>	3
Iraq-Syria: <i>Tensions Continue</i>	4
India: <i>Drought</i>	5
<div></div>	
Portugal: <i>Centrist Movement Bows Out</i>	6
<div></div>	
Mali: <i>Forced Retirements in Military</i>	7
International: <i>Human Rights Abuses</i>	8
Sweden: <i>Post-Election Negotiations</i>	8
Overnight Reports	9

The Overnight Reports, printed on yellow paper as the final section, will often contain materials that update other articles in the *Daily*.

Top Secret

25X1

25X1

20 September 1979

Top Secret

25X1

BRIEFS AND COMMENTS

USSR: Concern over Iran

The Soviets remain concerned about the uncertain political situation in Iran, but probably see no alternative to attempting to maintain good relations with the Khomeini-Bazargan government. [REDACTED]

25X1

25X1

An article in *Izvestiya* earlier this month contained the sharpest criticism of events in Iran to date. The article reflected the USSR's increasing frustration over its inability to overcome the anti-Soviet bias of the Ayatollah Khomeini regime. The Soviets are worried by Iranian statements of support for the Islamic rebellion in Afghanistan, the repression of pro-Soviet leftists in Tehran, and Iran's default on natural gas deliveries to the USSR. The Soviets have been particularly sensitive to accusations by Iranian leaders of Soviet interference in domestic political affairs. [REDACTED]

25X1

25X1

Despite growing misgivings and public criticisms over the direction of Iran's revolution, the USSR is still trying to develop a positive relationship with Iran. Soviet officials say they envision no major change in policy, and in some public messages Moscow has depicted the Iranian revolution in generally positive terms. [REDACTED]

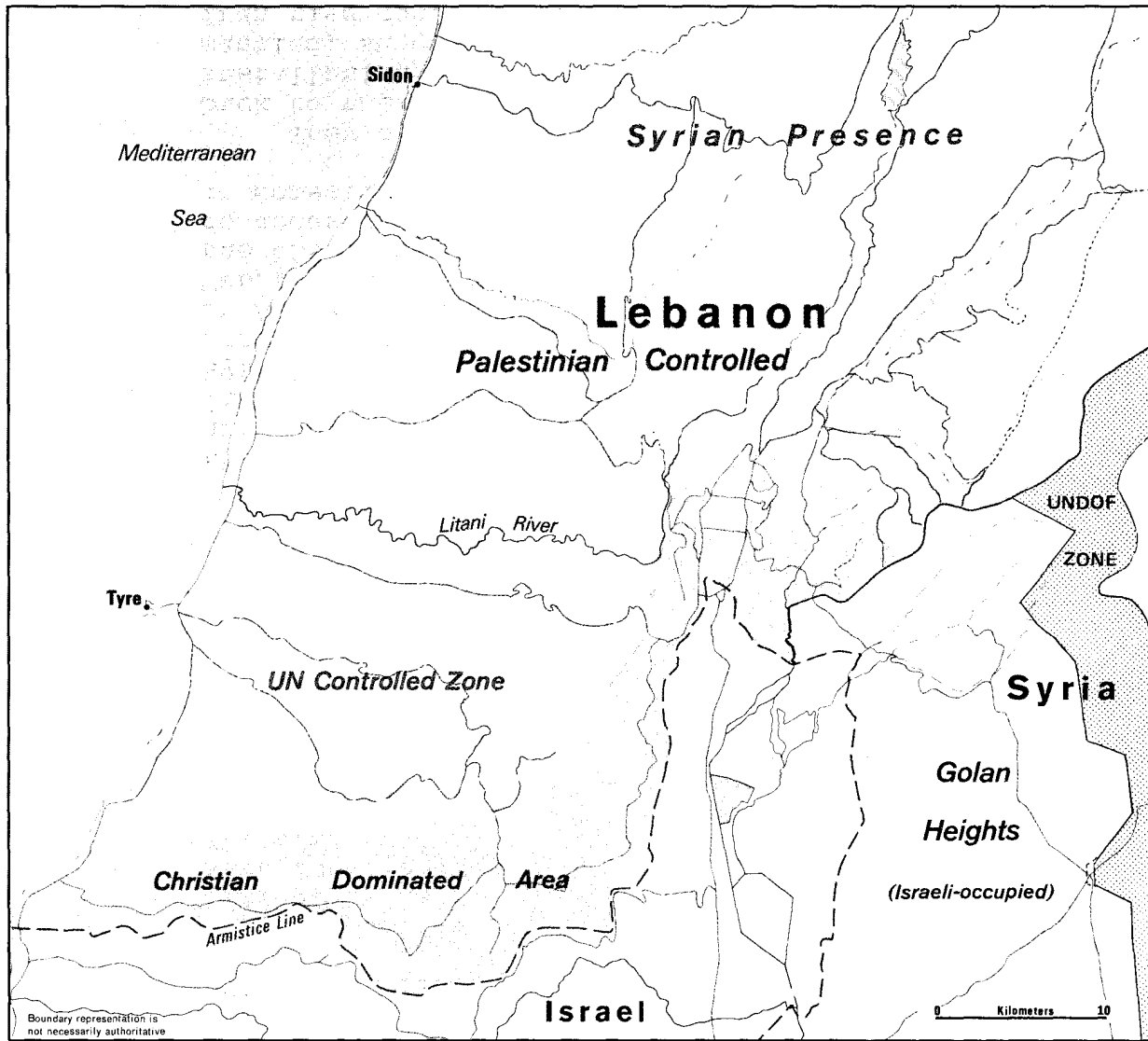
25X1

25X1

25X1

Top Secret

20 September 1979



Top Secret

25X1

ISRAEL-LEBANON: Status of Cease-fire

The cease-fire late last month that halted some of this year's heaviest shelling in southern Lebanon has held up well, despite some minor flareups.

25X1

25X1

The Israelis are charging that two indicators of potential trouble in the region--Palestinian infiltration into the UN zone and attacks on Christian forces by Palestinian and Lebanese leftist groups--have continued. Israel says that the Palestinians have moved some 70 men into the UN zone since the cease-fire, which it asserts brings the number there to between 500 and 700.

25X1

25X1

Israel wants to avoid being saddled with responsibility for a new round of fighting. Renewed hostilities in Lebanon would further cloud US-Israeli relations, especially if they occurred during Defense Minister Weizman's current negotiations in Washington for new US military assistance.

25X1

25X1

Weizman has publicly warned, however, that he will order new retaliation if the Palestinians try to take advantage of Israel's tactical restraint. The Israelis almost certainly would not hesitate to resume their counterterrorist policy in response to major Palestinian attacks on Christian positions, Palestinian rocket barrages of populated areas in Israel, or attempts to mount cross-border terrorist raids.

25X1

Top Secret

20 September 1979

25X1

Top Secret

25X1

IRAN: Oil Production

Iranian oil production is now reported to have rebounded to 3.9 to 4 million barrels per day, after falling to about 2.7 million barrels per day for two weeks in late August and early September because of worker unrest. Despite the upswing, further disruptions in production are likely. Shortages in skilled manpower and poor security conditions are two factors contributing to a poor outlook for Iranian oil production.

25X1

Technical expertise in the National Iranian Oil Company has deteriorated sharply in the past few months. Many senior and middle-level employees have resigned, and many other workers have faced threats of physical harm from coworkers. Crews have been reluctant to do routine maintenance work at the oilfields and along the pipeline system where security is questionable.

25X1

Few experienced foreign workers have returned to Iran since the exodus of expatriates early this year. For the past several weeks the government has been trying to improve the security situation but has done little to attract skilled foreign technicians. Maintenance and oilwell workovers are far behind schedule. Only six of the 37 onshore drilling rigs are still operating. Major repairs to rig engines and drive mechanisms will require foreign specialists. Routine well maintenance performed using these rigs reportedly is now taking twice as long to complete as when foreign supervisors were present.

25X1

The Oil Service Company of Iran has projected a need for at least three dozen active rigs to keep capacity at about 6 million barrels per day. Because only six rigs are now working and maintenance is falling behind, the excess capacity Iranian officials felt they created by lowering output is being rapidly eroded. We do not know how fast available capacity is being reduced; some industry experts have said it could drop below 4 million barrels per day in the next year unless maintenance and workover rates improve sharply.

25X1

Top Secret

20 September 1979

25X1

Top Secret

25X1

IRAQ-SYRIA: Tensions Continue

Relations between Iraq and Syria remain frozen despite concerted Arab efforts to mediate between these two stalwarts of the anti-Sadat front. For now, both sides are careful not to let their dispute shatter the unified Arab stance against Egypt, but Sadat may nevertheless benefit from their new tensions.

25X1

25X1

Despite Saddam Husayn's obvious hostility toward Syrian President Assad, there are indications that the Iraqi leader wants to contain the quarrel in the interest of maintaining pressure on Sadat. Earlier this month Iraq fulfilled a pledge made at the Baghdad summit last spring to aid Syria financially by making a \$91.6 million payment to Damascus. The Iraqis, moreover, continue to use the recently opened oil pipeline across Syria, thereby providing transit revenues to Syria.

25X1

At the Nonaligned Summit, the two sides submerged their differences to work for a condemnation of the Egyptian-Israeli treaty and to press--unsuccessfully--for suspension of Egypt from the Movement. Such cooperation has given a temporary boost to the anti-Egyptian front, which has faltered over the summer months.

25X1

25X1

Top Secret

20 September 1979

25X1

Top Secret

25X1

INDIA: Drought

India's summer monsoon rains are substantially below normal for the first time in four years, and drought conditions threaten food crops in many growing areas. This summer's crop has also been hurt by shortages of diesel fuel and electric power, both essential for irrigation.

25X1

Unless rain comes during the next few weeks, the summer of 1979 could rank as one of the driest on record. Summer food crops, largely rice, account for 65 percent of annual foodgrain production.

25X1

Despite the poor crop outlook, the government is unlikely to resume grain imports in the short term. India has 20 million tons of foodgrain stocks, which should enable the government to wait until mid-1980 to estimate next summer's crop before setting import policy.

25X1

Food shortages could occur in some areas this fall if the country's overtaxed transport system fails to move enough grain to drought-stricken regions. Scarcities and rising food prices could have political repercussions, affecting the outcome of the national election to be held in December or early January. The caretaker government of Prime Minister Charan Singh will be on the defensive while Indira Gandhi and other opponents try to capitalize on discontent over the food situation.

25X1
25X1

Top Secret

20 September 1979

25X1

Top Secret

25X1

25X1

PORTUGAL: Centrist Movement Bows Out

The Independent Social Democratic Action--touted by many observers in Portugal as a strong hope for the country's political center--announced yesterday that it will not take part in the legislative election in December. The announcement is particularly dramatic in light of recent indications that the center-right Social Democrats are closing ranks with their more conservative partners in the "Democratic Alliance." Such a concentration of the right should have assisted the emergence of centrist political formations, but the Independent Social Democrats--plagued by the weaknesses of a fledgling organization, an inability to attract enough prestigious individuals to their electoral slates, and some internal dissension--were unable to exploit it. [REDACTED]

25X1

Both the Socialists and the Social Democrats will probably attempt to attract Independent Social Democrats to their lists in hopes of garnering the few votes the movement might have received. The movement's inability to contest the election greatly diminishes its chances of becoming the moderating and stabilizing centrist force Portugal needs. [REDACTED]

25X1

Top Secret

20 September 1979

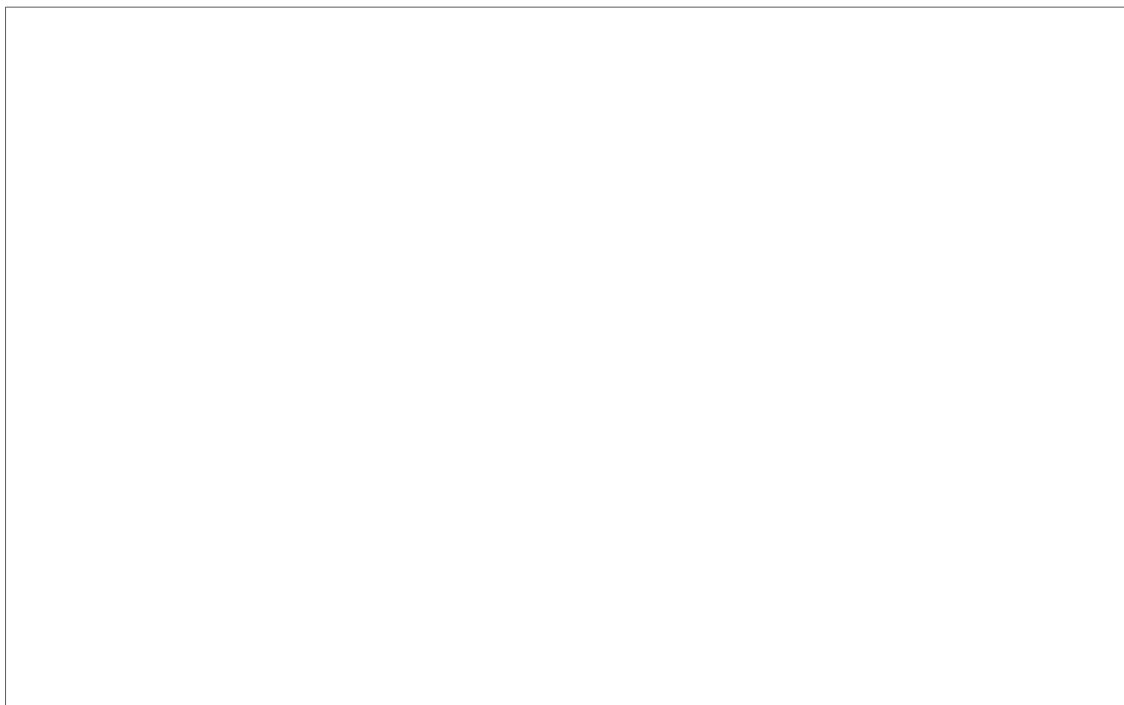
25X1

Page Denied

Top Secret

25X1

25X1



MALI: Forced Retirements in Military

Malian President Traore last week retired several military officers who opposed his plan eventually to return the government to civilian rule. The military has ruled Mali for 11 years, and many officers fear they will lose influence and perquisites under a civilian-dominated government. The forced retirements may well increase military discontent.

He quashed a coup plot by disgruntled officers last year.

25X1

25X1

25X1

25X1

Top Secret

20 September 1979

25X1

Top Secret

25X1

INTERNATIONAL: Human Rights Abuses

Amnesty International, the leading independent human rights organization, is turning its attention to human rights violations by "liberation" movements and terrorist groups. At its annual policy meeting in Brussels last week, the organization announced it would henceforth monitor and combat possible human rights violations by militant underground forces. Its secretary general acknowledged that governments have been urging his group in this direction for some years. Amnesty International's tendency in the past has been to concentrate on human rights abuses by governments dealing with internal security problems, with little or no comment regarding violence by the political opponents involved. Spokesmen for Amnesty International have indicated that groups in Latin America and Northern Ireland may be objects of the organization's attention.

25X1

SWEDEN: Post-Election Negotiations

The election results on Sunday did not give a clear message of what the electorate wants. On the one hand, the conservatives gained strength; on the other hand, the Communist Party picked up enough seats to entitle it to membership on the foreign affairs and defense committees in parliament for the first time. Sweden's three nonsocialist parties, which as a result of the election have a one-seat parliamentary majority, will have difficulty forming a coalition because the most conservative of the three, the Moderate Party, now is the largest. If the three fail to reach agreement, either of the two other parties of the group--Prime Minister Ullsten's Liberal Party or former Prime Minister Falldin's Center Party--may agree to a coalition with the Social Democrats. At any rate, the Social Democrats may challenge a weak nonsocialist government after the nuclear referendum scheduled for March.

25X1
25X1Top Secret

20 September 1979

25X1

Top Secret
[redacted]

25X1

OVERNIGHT REPORTS

(The items in the Overnight Reports section have not been coordinated within the Intelligence Community. They are prepared overnight by the Office of Current Operations with analyst comment where possible from the production offices of NFAC.)

West Germany

The US Embassy in Bonn reports that while campaigning in Essen and Cologne yesterday, Christian Democratic Union - Christian Social Union chancellor candidate Strauss exchanged angry words with young leftwing demonstrators in episodes that were subsequently shown on nationwide television. In Essen, Strauss was obliged to end his prepared speech after only 20 minutes, and then ironically "thanked" his hecklers for showing their true colors. Strauss later told newsmen that the demonstrations clearly revealed the connection between Communists and Social Democrats. The Embassy observed that the confrontations brought credit to neither side and augured ill for the hopes for a rational and fair election in 1980. [redacted]

25X1

Israel

A bomb concealed in a bicycle exploded in a Jerusalem market yesterday, killing one person and injuring at least 42 others, according to Israeli police. Palestinian sources in Beirut said that Al Fatah was responsible for the attack and that all of the guerrillas have returned safely to base. The attack was described as the worst of the 27 bombings that have occurred in Jerusalem this year. [redacted]

25X1

--continued

Top Secret
[redacted]

20 September 1979

25X1

Top Secret

25X1

Pakistan

AFP from Hong Kong reported yesterday that President Zia promulgated a new law barring members of unregistered political parties from taking part in the 17 November elections. The Pakistan People's Party of former Prime Minister Bhutto, who was executed in April, and the Pakistan National Alliance had rejected the government's earlier decree requiring compulsory registration of parties as undemocratic, and both parties had planned to avoid the registration requirement by having their members enter political contests as independents. Reacting to the new law, National Alliance Party chief-tain Mahmood asserted that elections held without participation of the country's major political groups would be a "farce."

25X1

El Salvador

The US Embassy in San Salvador reported that President Romero has introduced a new draft electoral law for consideration by the country's political parties, the lawyers' association, civic groups, and other interested citizens. The Embassy observed that this procedure appears commendable, and in keeping with recommendations made to the government that it involve the political parties in the electoral reform process.

25X1

Top Secret

20 September 1979

25X1

Top Secret

25X1

Top Secret